

TALENT MANAGEMENT AS A NEW FORM OF SUSTAINABLE HUMAN RESOURCES MANAGEMENT

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Abstract. *Even though several researchers investigated the topic talent management, only few presented it with relation to the subject sustainability. A sustainable approach is a key criterion for the implementation of a successful talent management process. To do so, it is important to understand the current needs of students, which represent the talents. The aim of the research study is to develop the awareness of sustainable talent management and to find out what conditions must be met by employers to be seen as an attractive and long-term employer on the part of students, which represent the talents and future leaders. Research methodology consists of a literature review followed by an empirical investigation using an online student survey. The results of the student survey, however, are intended to help understanding the position of students in this topic today. What are the working needs and conditions that are important to them, and what are imperative requirements from the students' point of view to secure a long-term commitment to a company? Overall, the present paper includes 24 sources of literature, the results of an online student survey with 132 participants from 18 countries, 6 figures and tables.*

Keywords: *future leaders, sustainable talent management, talent, talent management, talent management process.*

JEL code: M12

Introduction

Successful talent management is seen in various surveys as one of the biggest challenges in organizations in the upcoming years. Studies such as, e.g., 'Creating a dynamic and sustainable talent ecosystem', which was conducted by the Center for Creative Leadership in the year 2015 (Chandrasekar et al., 2015), confirm this and have already shown that companies are struggling to implement effective talent management. Talent management must be pursued as a holistic process in which sustainable implementation plays an important role and should therefore be implemented and understood as a part of corporate culture. The aim of a talent management strategy is to form a powerful unit with sustainable competences, which according to a study by Strandberg Consulting provides the following advantages for the enterprise: Better ability to anticipate and manage risks

- Increased innovation and opportunity identification
- Early access to new markets with sustainable products and services
- Enhanced problem solving and more effective decision-making

- Greater ability to respond to changing economic conditions
- Improved employee attraction, retention and engagement (Strandberg, 2015).

In order to achieve this, the implementation of sustainable talent management can prove to be supportive. However, for such an implementation, it is no longer sufficient to pass this work to the HR department, but should be accepted as a task for all participants. A sustainable talent management requires growing together and open communication between the Human Resources (HR) and all other departments and hierarchies. For this reason, appropriate conditions must be created in order to build up the necessary framework for a sustainable talent management concept.

However, to perform talent management sustainably, it is imperative to identify the needs of the target group, the talents. The author has dealt extensively with this topic over a period of several months in order to ask information about the awareness of talent management among students and to find out what conditions must be met by employers to be seen as an attractive and long-term employer on the part of students, which represent the talents and future leaders.

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To achieve this aim, several tasks were defined: study of some theoretical aspects about sustainable talent management, formulation of a list of questionnaire; evaluation of the results; development of conclusions and suggestions.

Object of the research study: talent management.

Subject of the research study: factors influencing talent management.

Research period: November 2016 – January 2017.

Hypothesis of the research study: Talent management is a useful measure to attract students.

Methods used in this research study are as follows: online students survey, evaluation and analysis of surveys, graphical analysis, logical and abstract constructive methods, content analysis, reference methods.

Research results and discussion

Definition of talent

When you look up the term *talent* in Duden (the name, Duden' stands for standard reference work on the German language and guarantees the highest level of lexicographical competence.), you will find the definitions:

a) “Ability, that enables someone to unusual or above-average performance in a particular field, especially in the artistic field” or b) “someone who has talent” (Dudenverlag, 2016).

In specialized literature, there are countless definitions of the concept of talent. Armin Trost, a German psychologist and professor for human resource management, for example, recognizes a “[...] strong performance and success, coupled with a high degree of discipline” and “[...] pronounced fun in the exercise of their cause” (Trost, 2012). Several scientific literatures mention terms such as *high potential* or *top performer*” (Ritz et al., 2011). Others believe that: “Everyone in an organization has talent, even if some have more talent than others. Talent management processes should not be limited on the favoured few” (Armstrong, 2007). The authors of *The War of Talent* agree with that opinion and define the expression as follows: “Talent in the most general sense, is the sum of a person’s abilities – his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, and drive. It also includes his or her ability to learn and grow” (Michaels et al., 2001). In the modern models of talent management, talents are defined as employees with “high potential and high competence, regardless from the current performance” (Enaux et al., 2011).

In this paper, the term *talent* is used in the sense of the following definition: “Talent consists of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential” (Holbeche, 2009). This definition recognizes talents as a competitive advantage, because they bring the company forward through their special skills and competences. This provides a clear demarcation of talented employees from the rest of the workforce. However, the pure focus on these talents could lead to a conflict, which triggers motivation and declines corporate identification among the other employees, caused by low training opportunities or increased fluctuation rates. Therefore, it is extremely important to identify and motivate these talents in a targeted way, without blocking the development possibilities of other employees.

Definition of talent management

Many experts define talent management differently. “Some see it as static, some as organic. Some see it as operational, others as strategic. Some see it as integral to the performance management system, while others see it as distinctly separate. Some see it as applying to everyone, while others see it as segmenting” (Blass et al., 2008). According to the definition of Creelman, talent management is: “The process of attracting, recruiting and retaining talented employees” (Creelman, 2004). Others describe talent management

as a strategic core process and an indispensable necessity to promote business success (Bednarczuk et al., 2008). And Capelli defines talent management as: “Getting the right people with the right skills into the right job” (Capelli, 2008).

There is no uniform definition for talent management, so the term *talent* allows a wide range of interpretations. However, authors agree that just filling the positions with appropriate candidates is not enough to perform talent management, effectively or sustainably. Therefore, Armstrong considers that: “Talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates, and develops the talented people it needs now and in the future” (Armstrong, 2007). Continuous communication between the top-level management, middle-level management, the HR department and all other employees is a prerequisite for a holistic and sustainable talent management within the company.

Dimension of sustainability in relation to talent management

“For many people, the first thing that comes to mind when sustainability is mentioned is the environment – and it is quite accurate to think that such issues as pollution, recycling, climate change, energy and water conservation, and stewardship of natural resources are all listed at the top of the sustainability agendas of businesses. In fact, however, sustainability is about more than the environment” (Savitz et al., 2013). From a business perspective, sustainability has been defined as a “company’s ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies” (Wirtenberg et al., 2007). However, one of the most famous and probably the most common definition is the Brundlandt definition. It was defined by the United Nations in 1987 as follows: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations, 1987). That means, that today’s generation should live according to their needs, but without destroying the chances of the future generations. The definition was characterized by politicians, businessmen and representatives of society and is rated as a kind of model in relation to the sustainable decisions (Weber, 2012). Although some experts felt this claim to be critical (Taylor et al. 2002), the majority is convinced that this definition covered most aspects of sustainability (Dale et al., 2001). According to Taylor, the definition of the UN is not entirely correct, as it is difficult to determine the future needs of the next generation, which probably differ from the needs nowadays. In addition, the citizens of

developed countries feel a very different need than the inhabitants of a developing country (Taylor, 2002). At any rate, the Brundlandt definition led to a rethinking of economic development, as economic development had focused on the current wealth creation up to that point. "The assumption was that economic growth was about using environmental and human resources to create needed products and services that would generate profits, jobs, tax revenues, and an expanding pool of wealth – and that development of this kind could be safely pursued without fully considering the present-day environmental or social impact of the production process or the products themselves, much less the impact of those on the welfare of future generations" (Savitz et al., 2013). However, the use of natural resources is high and growing (Wackernagel et al., 1996). Back in 2010, the World Wide Fund for Nature calculated the consumption level on 1.5 planets. This means, you needed 1.5 planets to meet the needs of today's generation. This way of life can't be sustainable, because we are constantly living beyond our means. It is obvious that there is a problem which needs to be solved very quickly, since sustainable development cannot be realized, by the lifestyle we are living. For sustainable development, a rethinking of the people is mandatory. Especially organizations are at the focus, when it comes to high resource consumption. For enterprises, sustainable action has even a decisive advantage, namely cost reduction (Ludwikowski, 2010). The economical use of resources means lower costs. Therefore, the implementation of ecological sustainability does not necessarily require a conflict.

In the meantime, sustainability has been found in almost all business areas that have an impact on the economy, society, or the environment. The Triple Bottom Line Model refers to these three areas, but factors such as the industry in which the company is located and the products or services it offers play an important role, whereas the number of departments or business units are less important (Savitz et al., 2013). The authors Savitz and Weber stated: "Some departments will have impacts on the environment; others will have social and economic impacts on the communities in which you operate; and some may have impacts in all three areas" (Savitz et al., 2013).

"Sustainability in a talent management context is about organizations developing their future leaders, manager, specialists and employees from the talent potential within." (iXerv, 2016). This is not solely about recruiting talents from outside of the company, but especially of identifying and subsequently promoting and developing those who are already in the company.

Today, many companies believe that both sustainability and corporate responsibility are imperative to generate and retain talents. "Some companies such as UPS, Praxair, Verizon, the Carlyle Group and MGM have

gone so far as to create a Chief Sustainability Officer role within their organizations. Young leaders of the world are expecting more than a paycheck and want to make a positive impact on society” (Carter, 2016).

Regarding sustainability in terms of talent management, it was mainly HR, which contributed a great deal to this. “In the context of sustainability, the key to recruiting and staffing that make up talent management is providing the right people with the right mental models and values, in addition to their functional expertise” (Wirttenberg et al., 2007).

Sustainable thinking and action is an integral part of today’s society. That is why it is no surprise that business strategies of the most successful companies in the world have put the focus on sustainability, and of course this also applies to talent management. Taking a closer look at the corporate landscape, it can be seen that more companies regardless of size and industry do the same (Savitz et al., 2013).

For example, the Best Practices Institute (BPI) has recently visited the United Nation’s (UN) Global Compact to gain insight into the sustainability principles that have proved their worth at the UN Global Compact.

These 10 principles include:

- Support human rights
- Ensure you are not complicit in human rights abuses
- Respect collective bargaining rights
- Eliminate all forms of forced labour
- Abolish child labour
- Eliminate discrimination in the workplace
- Take a precautionary approach to environmental conflicts
- Promote greater environmental responsibility
- Invest in eco-friendly technologies
- And uphold a zero-tolerance policy towards bribery and all forms of corruption (Carter, 2016).

Today’s generation is aware of its responsibility with regard to environmental and social aspects. For this reason, it is not only earning and promotion opportunities that play a decisive role in the selection of the employer, but also whether the company proves to be a good corporate citizen, and understand sustainability as a part of the corporate culture.

Methodology of the student survey

The aim of this survey is to determine the status quo of the understanding of talent management in the organization: where are students in this topic today, what is particularly important to them at the company, and what are the prerequisites from the student’s point of view to secure a long-term commitment to a company?

In empirical social research, online surveys are assigned in the context of the written survey. In this case, no pre-made questionnaire will be sent by mail, but the respondents will fill out an Internet questionnaire. The advantages of this method of investigation can be explained as follows:

- The survey is cost-effective and it is also possible to evaluate larger amounts of data with reasonable effort.
- The questionnaire can be created and adapted individually. Specific function, e.g., conditions of question elements can be incorporated. Consistency checks are also programmable.
- The interviews are carried out quick and the immediately stored data can be used directly for interim results and evaluations.
- Experimental surveys with differentiated question versions are possible.
- Different open source software for the creation and evaluation is/are available on the market.

However, this research method also has disadvantages. These include:

- Distortion of the sample relationship since only Internet users are taken into account. The population of the Internet users differs in many questions from the general population.
- The response rate may be very small, since they are more impersonal
- No control over who fills out the questionnaire.

Results of the student survey

In the case of a lack of potential executives, the talents have to be picked up or caught early. Therefore, talent management should not only target people who are already in the labour market, but should also involve the future leaders, the students. This quantitative survey was to find out how strongly the experience values or the degree of awareness of talent management with today's students is pronounced. In addition, this empirical study is intended to help interpret the needs of this target group to companies, so that the organizations can prepare for it at an early stage.

The evaluation of the survey shows the participation of 132 students from 18 countries. The most represented nations were Germany with 56.1%, Lithuania with 15.2%, Turkey with 6.1%, Latvia with 5.3% and the Czech Republic with 3.0%.

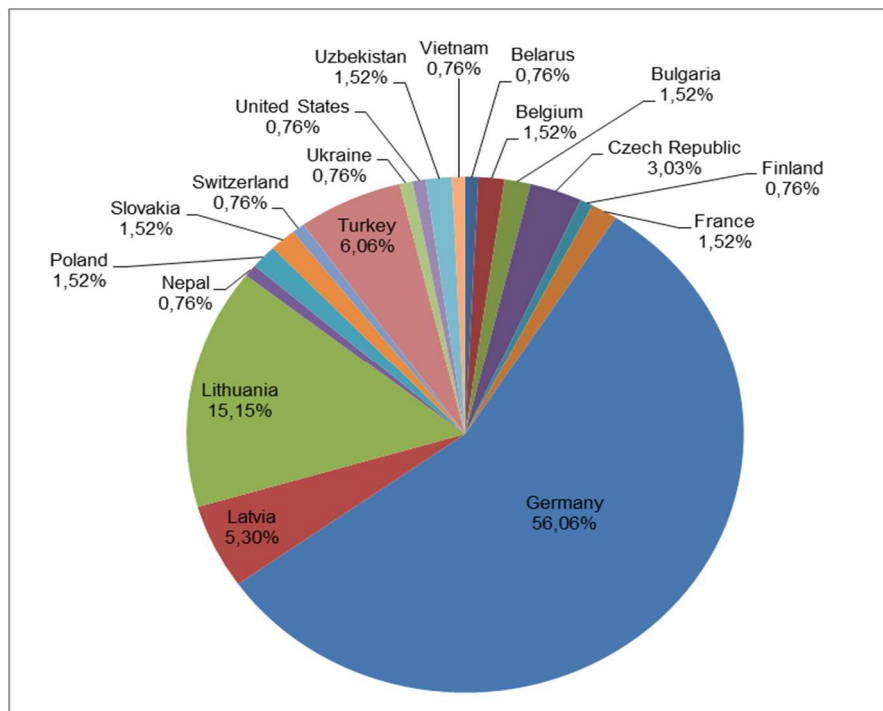


Fig.1 Proportion of participants in the student survey
(Source: author's data, 2016)

Most of the survey participants were bachelor students. With a percentage of 74.2%, this group accounted for almost $\frac{3}{4}$ of the respondents, while 24.2% of the respondents were master students and 1.5% were those who already had a master's degree and were in the process of selecting a new degree or were undergraduate.

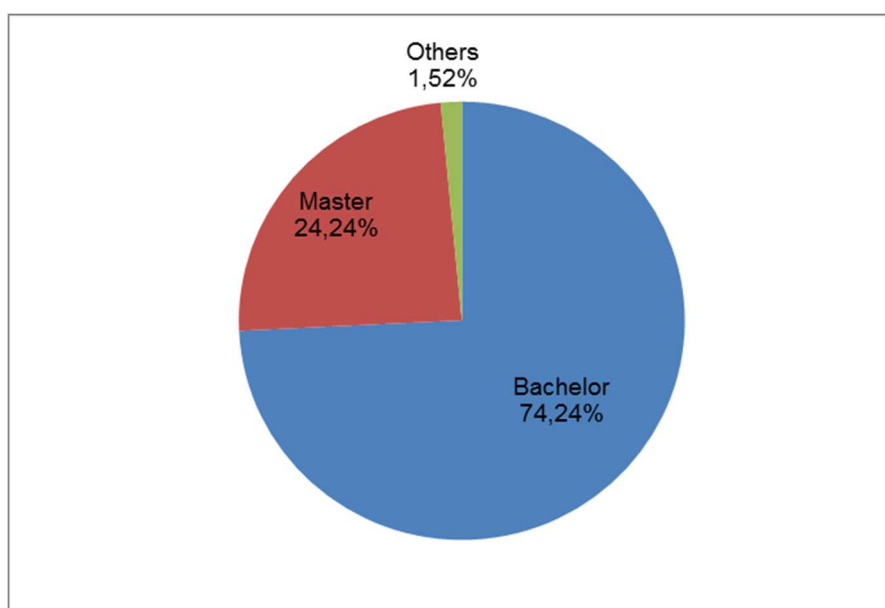


Fig. 2 Proportion of participants and their current study level
(Source: author's data, 2016)

The question of '*Have you heard of talent management*' was rejected by 68.9%, and only 31.1% answered in the affirmative.

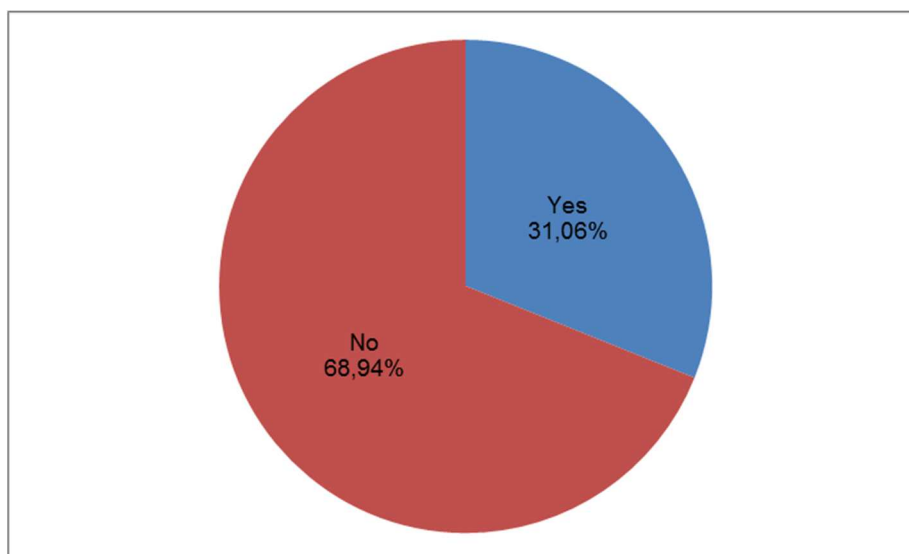


Fig.3 Responses to the question '*Have you heard of talent management?*'
(Source: author's data, 2016)

83.7% of those who were in a bachelor study answered this question with '*no*' and 16.3% with '*yes*'. The answers from the Master's students were quite different. 75% answered with '*yes*' and only 25% with '*no*'. For the remaining 1.5% who had either already completed a master's degree or were undergraduate, 50% had answered this question with '*yes*', and the other 50% answered with '*no*'.

To the question No. 4 '*Are you or have you been working in a company that is performing talent management?*', there were 124 participants (93.9%) who had never worked in a company that was performing talent management. Only 8 students (6.1%) of the respondents, could answer this question with a '*yes*'. It should also be mentioned that of the 6.1% who answered this question with a '*yes*', 75% were students studying for a master's degree and 25% for a bachelor's degree. It was also apparent that 75% were students from Germany, 12.5% were students from Finland and 12.5% were from Belarus.

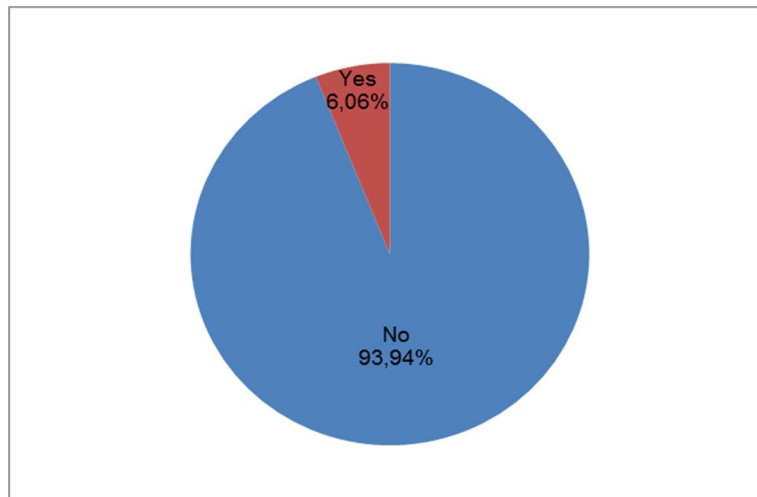
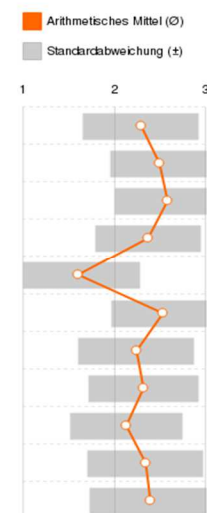


Fig.4 Responses to the question 'Are you or have you been working in a company that is performing talent management?'
(Source: author's data, 2016)

To the question 'How important are the following points to you?', which has been compiled as an evaluation table with 11 different aspects, the students were able to choose among three options (1 = Not that important, 2 = Important, 3 = Very important). For most of the students who participated in this survey, 'Career and development opportunities' (61.9%), 'Work environment' (57.9%) and 'Training opportunities' (48.4%), were the most important aspects in business. In the 'Important' column, innovation (60.3%), corporate culture (55.6%) and work insurance (54%) were of great importance. As 'Not so important' was applied with distance on-site child care with 50.8%. However, for 13.5% of the participants 'Innovation' and for 10.3% 'Corporate culture' did not play an important role.

Table 1 Responses to the question 'How important are the following points to you?' (Source: author's data, 2016)

	Not that important (1)		Important (2)		Very important (3)			
	Σ	%	Σ	%	Σ	%	Ø	±
Working hours	12x	9,52	66x	52,38	48x	38,10	2,29	0,63
Salary	3x	2,38	57x	45,24	66x	52,38	2,50	0,55
Career and development opportu...	5x	3,97	43x	34,13	78x	61,90	2,58	0,57
Diversified work	6x	4,76	67x	53,17	53x	42,06	2,37	0,58
On-site child care	64x	50,79	48x	38,10	14x	11,11	1,60	0,68
Work environment	5x	3,97	48x	38,10	73x	57,94	2,54	0,57
Corporate culture	13x	10,32	70x	55,56	43x	34,13	2,24	0,63
Job insurance	9x	7,14	68x	53,97	49x	38,89	2,32	0,60
Innovation	17x	13,49	76x	60,32	33x	26,19	2,13	0,62
Social guarentees	11x	8,73	61x	48,41	54x	42,86	2,34	0,63
Training opportunities	12x	9,52	53x	42,06	61x	48,41	2,39	0,66



In question No. 6 '*Under which conditions can you imagine to stay with an organization over a long term?*', the participants were able to choose three reasons.



Fig.5 Responses to the question 'Under which conditions can you imagine to stay with an organization over a long term?'
(Source: author's data, 2016)

The analysis (figure 5) showed that for 68.8% of the students, the salary was the most important aspect in order to retain with an enterprise in the long term. With 58.4%, the '*Career and development opportunities*' were the second most important criterion. '*Working hours*' were also important for 48.8% of the students. However, the '*Work environment*' with 37.6% and '*Diversified work*' with 26% were not playing an unimportant role in order to secure the retention of employees.

Conclusions and suggestions

Talent management becomes a critical success factor that is gaining in importance. Companies will not be able to avoid the integration of successful talent management to fill key positions with appropriate candidates in the future. Talent management must be pursued as a holistic process in which a sustainable implementation plays an important role and should therefore be implemented and understood as a part of corporate culture. The author agrees with Creelman,D (2004) that the sustainable talent management is the process of attracting, recruiting and retaining talented employees. The aim of a talent management strategy is to create a powerful unit that can adapt to the constant changes in business environment to survive as an organization. For such an implementation, it is no longer sufficient to pass

this work to the HR department, but should be accepted as a task for all participants.

However, important is also the fact that to perform sustainable talent management, it is imperative to identify the needs of the target group, the talents. By analysing and comparing the empirical findings according to the theoretical framework, a student survey conducted could reveal the students' current understanding, experiences, and personal interests regarding talent management. The evaluation showed that a large proportion of the students (68.9%) had not previously heard of the term talent management. And 75% of those who had already heard of talent management were master students. This could lead to the conclusion that the subject of talent management is not yet of any particular importance in the bachelor's degree. In this connection the author suggests to include the course "Sustainable talent management" in some bachelor's study programmes that are oriented on management studies. In spite of so small part of respondents, who answered on this question these answers show a positive trend in performing talent management in the companies.

Even more explosive were the results on the question of the experience regarding talent management in companies. Here, it was 93.3% who had not had any experience with talent management in organizations. This could be since most companies did not perform talent management or had not explicitly communicated it both within and outside the company.

The results regarding the needs and requirements of the students show that above all the career and training possibilities, salaries as well as the aspects of working environment and working hours were particularly important for students. For example, for 68.8% of the students, the salary and for 58.4% the career and development opportunities were essential factors to stay with an enterprise in the long term. These factors are very important in sustainable talent management as well.

It can be said that according to the student survey, development opportunities and attractive salary are still very much in demand today, but they are no longer sufficient to be seen as an attractive employer by today's talents. The generation that is entering the labour market today must be given the opportunity to help shape and co-ordinate the balance between work and leisure time or their personal development in the company.

As a result, there is still a huge need for action in the area of talent management, as currently mainly large and global operating organizations are performing a uniform, holistic and sustainable talent management approach. However, even small and medium-sized companies will have to pursue talent management in the future if they want to remain competitive in the long term. In summary, it can be said that talent management, which is on a sustained basis, is an important aspect in the filling of critical positions

that will ensure the corporation's competitiveness and, in some cases, reduce recruitment costs if the talent pool is both a qualitative and quantitative combination of corporate strategy and HR processes. However, it must be also borne in mind that once talent management has been implemented, it is not a completed project, but must be developed repeatedly. In order to react flexibly to the dynamically evolving environment and the resulting change processes, it is necessary to attract and retain suitable talents for the constantly changing expectations and requirements.

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